

CONFIDENTIAL

**FOREIGN BROADCAST INFORMATION SERVICE
2430 E Street, NW
Washington 25, D.C.**

24 January 1949

**Mr. Malcolm A. Frost
Head, BBC Monitoring Service
Caversham Park
Reading, England**

Dear Malcolm:

I am grateful for your letter of 22 December 1948 and would like to reply separately to that paragraph referring to the cashing of checks by our personnel.

I was aware of the fact that the BBC provided facilities at Caversham for our staff to cash checks. However, I was not aware of the fact that this privilege had ever been abused. This service is obviously a very great convenience to our London Bureau employees, which you are, of course, under no obligation to provide. Believe me, it is genuinely appreciated.

I regret very much that it is legally and administratively impossible for this agency or the U.S. Government to indemnify against possible loss due to cashing of personal checks. The payment of non-American employees of our Bureau in sterling checks has probably increased the volume of business somewhat. These are, of course, backed by the U.S. Government, and insofar as possible loss is concerned I believe there is no risk. Cashing of personal checks is another thing.

I have written asking him to try to reach an agreement with the employees of the London Bureau wherein as a group, on a pro rata or other suitable basis, they agree to indemnify BBC against loss due to cashing of personal checks. As a matter of caution, I should think it extremely advisable that some limit be placed on both the amount and number of checks which one employee might cash within a given period. I do hope that some agreement can be worked out locally so that this service may be continued without undue burden and without undue risk on your part.

You may rest assured that while it is impossible for me to officially indemnify the BBC, I will use all the power with which I am vested to secure reimbursement promptly should you incur any loss.

LKW:1